

## Message Text

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ACTION EA-14

INFO OCT-01 ISO-00 AID-20 IGA-02 OMB-01 TRSE-00 CIEP-02

EB-11 COME-00 STR-08 AGR-20 INT-08 FEA-02 HEW-08 IO-14

CU-04 SS-20 SPC-03 NSC-10 CIAE-00 DODE-00 INR-10

NSAE-00 PA-04 RSC-01 USIA-15 PRS-01 SAM-01 DRC-01 L-03

( ISO ) W

----- 004276

P R 121157Z FEB 74

FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC PRIORITY 558

INFO AMEMBASSY SINGAPORE

UNCLAS SECTION 1 OF 2 BKNGKOK 2386

E.O. 11652: N/A

TAGS: ECOM, TH, XX

SUBJ: FISCAL YEAR 1975 COUNTRY COMMERCIAL PROGRAMS (CCP)

REF : A. STATE 006882

B. STATE 50002

C. BANGKOK 697

D. BANGKOK 13162

E. USDOC 0993

FOR COMMERCE; SINGAPORE FORE TRADE CENTER

1. THAILAND CONTINUES TO BE ONE OF BEST POTENTIAL MARKETS FOR U.S. PRODUCTS IN SOUTHEAST ASIAN REGION, WITH INDUSTRIAL EXPANSION CONTINUING IN MANY SECTORS, INCLUDING ESPECIALLY TEXTILE MANUFACTURING, AGRIBUSINESS, PUBLIC WORKS, MINING, TOURISM, AND UNDOUBTEDLY MANY OTHERS WHICH EMBASSY IS STILL IN PROCESS OF IDENTIFYING. EXAMPLE OF BASIC BUOYANCY OF ECONOMY IS CONTINUING PREPARATIONS FOR CONSTRUCTION OF SEVERAL LARGE (SOME OVER 1,000-ROOM) HOTELS IN BANGKOK AREA. PLANS FOR MAJOR PETROCHEMICAL COMPLEX AND INTEGRATED STEEL MILL  
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HAVE BEEN ONLY TEMPORARILY PUT ASIDE. EMBASSY'S AND DEPART-

MENTS'S 1974 COMMERCIAL PROGRAM SHOULD THUS INCLUDE GROUND-WORK FOR TAKING ADVANTAGE SUCH POTENTIALITIES AND USING ALL AVAILABLE RESOURCES TO PINPOINT BEST TARGETS OF OPPORTUNITY.

2. NEVERTHELESS, POLITICAL AND SOCIAL ENVIRONMENT IN THAILAND, IN CONTEXT OF WHICH ANY COMMERCIAL PROGRAM MUST BE IMPLEMENTED, HAS CHANGED DRAMATICALLY IN PAST FEW MONTHS. PROCESS OF CHANGE IS STILL TAKING PLACE, AND NO ONE CAN PREDICT WITH CERTAINTY WHAT THIS ENVIRONMENT WILL BE LIKE A FEW MONTHS FROM NOW. DESPITE EXPECTATIONS THAT 1974 WILL BE AN EXCELLENT YEAR FOR THAILAND'S EXPORTS, MAINLY AGRICULTURAL AND OTHER BASIC COMMODITIES, WITH BOTH CROPS AND WORLD PRICES HIGH, MANY LOCAL BUSINESSMEN ARE UNEASY ABOUT UNCERTAINTIES IN IMMEDIATE FUTURE. THESE UNCERTAINTIES INCLUDE NOT ONLY WORLD PRICES AND AVAILABILITY OF PETROLEUM, MANUFACTURED PRODUCTS AND RAW MATERIALS, AND CONCERN ABOUT INFLATION, BUT ESPECIALLY FUTURE LOCAL GOVERNMENTAL GROUND RULES UNDER WHICH BUSINESS WILL BE OPERATING. THIS AFFECTS FOREIGN BUSINESS, AND SPECIFICALLY U.S. BUSINESS FIRMS, EVEN MORE THAN DOMESTIC COMPANIES.

3. EFFECTS OF LAST OCTOBER'S OVERTHROW OF GOVERNMENT MUST BE CONSIDERED IN PREPARING ANY U.S. COMMERCIAL PROGRAM, WHICH IN TURN MUST RELATE TO OVER-ALL U.S. INTERESTS AND RELATIONS WITH THAILAND. A PRINCIPAL EFFECT IS THAT THAILAND HAS BECOME VERY SENSITIVE TO FOREIGN COMMERCIAL INFLUENCE IN THE COUNTRY, INCLUDING THAT OF THE U.S. CONSTANT AWARENESS MUST BE SHOWN OF THIS SENSITIVITY.

4. THERE HAVE BEEN GROWING SIGNS OF NATIONALISM IN THAILAND FOR SOME TIME, AS EVIDENCED NOTABLY BY ISSUANCE OF ALIEN BUSINESS DECREE IN NOVEMBER 1972. IN LATE 1972 AND THROUGH MUCH OF 1973, JAPAN'S COMMERCIAL PRESENCE BECAME A PARTICULAR TARGET FOR STUDENT AND OTHER INTEREST GROUPS, CULMINATING IN DEMONSTRATIONS IN JANUARY 1974 DURING PRIME MINISTER TANAKA'S VISIT WHICH, INCIDENTALLY, INCLUDED BURNING OF MODELS OF JAPANESE PRODUCTS IN FRONT OF JETRO TRADE CENTER. OTHER COUNTRIES ARE ALSO AFFECTED BY CURRENT NATIONALISTIC ATMOSPHERE. FOR EXAMPLE, AT ABOUT SAME TIME AS BANGKOK'S CENTRAL DEPARTMENT STORE INFORMED EMBASSY IT PREFERRED NOT TO HOLD AMERICAN IN-STORE PROMOTION DURING 1974 (REFTEL BANGKOK 697), ITALIAN EMBASSY UNCLASSIFIED

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INFORMED US THAT IT AND STORE HAD JOINTLY DECIDED TO POSTPONE INDEFINITELY ANNUAL ITALIAN WEEK, WHICH HAS BEEN A REGULAR AND POPULAR FEATURE FOR MANY YEARS.

5. VARIOUS ASPECTS OF THE AMERICAN PRESENCE IN THAILAND HAVE BEEN UNDER PARTICULARLY INTENSE ATTACK BY STUDENTS AND PRESS DURING RECENT WEEKS, WITH EMOTIONAL COMPLAINTS ABOUT MILITARY PRESENCE, CHANGES OF IMPROPER CIA ACTIVITY (INCLUDING

ALLEGATIONS THAT CIA HAS INFILTRATED MUCH OF AMERICAN BUSINESS)  
AND GENERAL CHARGES OF U.S. ECONOMIC IMPERIALISM. AT REQUEST  
OF LOCAL AMERICAN CHAMBER OF COMMERCE, LAST MONTH'S REGULAR  
MEETING BETWEEN CHAMBER'S BOARD OF GOVERNORS AND AMBASSADOR  
WAS DEVOTED EXCLUSIVELY TO DISCUSSION OF HOW AMERICAN BUSINESSMEN  
SHOULD REACT TO CONSTANT CRITICISM THEY SAY THEY ARE RECEIVING  
ABOUT U.S. INFLUENCE IN THAILAND. IT WAS GENERALLY AGREED  
THAT MAINTAINING A LOW POSTURE AT THIS TIME IS ESSENTIAL.  
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P R 121157Z FEB 74

FM AMEMBASSY BANGKOK

TO SECSTATE WASHDC PRIORITY 559

INFO AMEMBASSY SINGAPORE

UNCLAS SECTION 2 OF 2 BANGKOK 2386

6. ALTHOUGH RECENT EVENTS HAVE INDEED BEEN DRAMATIC EMBASSY DOES  
NOT WISH TO EXAGGERATE THE PROBLEMS WHICH THESE CONDITIONS  
IMPOSE. NEVERTHELESS, THE CONDITIONS ARE REAL, AND MUST BE  
RECOGNIZED AS SUCH CALMLY BUT REALISTICALLY. WE ARE NOT, FOR  
EXAMPLE, RECOMMENDING THAT U.S. TRADE PROMOTION ACTIVITIES BE  
SUSPENDED DURING 1974, ALTHOUGH WE DO FEEL THAT THEIR PUBLIC TY  
SHOULD BE HANDLED VERY CAREFULLY AND THAT MAJOR OFF-SITE EX-  
HIBITIONS SHOULD PROBABLY BE AVOIDED UNTIL THE ELECTIONS  
ARE OVER AND NEW GOVERNMENT INSTALLED. AT THAT TIME WE WILL  
REASSESS SITUATION. ALLOWANCE FOR SOME FLEXIBILITY SHOULD  
THUS BE INCLUDED IN THE U.S. COMMERCIAL PROGRAM FOR FY 1975.

7. AGAINST THAT BACKDROP, AND WITH EMPHASIS ON THE OPPORTUNITIES, THE EMBASSY BELIEVES THAT THE FOLLOWING PROPOSED USDOC-SPONSORED EVENTS ARE SUITABLE FOR FY 1975:

A. JULY 1974: GRAPHIC ARTS AND EQUIPMENT CATALOG SHOW. EMBASSY IS CURRENTLY COMPLETING A MINI-MARKET STUDY ON THIS THEME AND THE PRELIMINARY RESULTS INDICATE THAT THIS EVENT COULD MEASURABLY IMPROVE U.S. SHARE OF MARKET.

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B. NOVEMBER 1974: MARINE ELECTRONICS EXHIBITION AND TECHNICAL SEMINAR. FISHING IS A RELATIVELY IMPORTANT INDUSTRY IN THAILAND, AND OUR STAFF RESEARCH INDICATES THERE IS A GOOD POTENTIAL MARKET FOR U.S. PRODUCTS AND TECHNOLOGY IN THIS FIELD. RELATED TO FISHING IS THE FOOD PROCESSING INDUSTRY AND THE TECHNICAL SEMINAR SUGGESTED FOR THE FALL (REF. USROC 1759 WOULD SEEM TO BE VERY APPROPRIATE.

C. APRIL 1975: EDUCATIONAL TRAINING AIDS AND AUDIO VISUAL EQUIPMENT CATALOG SHOW. THIS THEME HAS POTENTIAL IN VIEW OF THAILAND'S CONTINUED EMPHASIS ON IMPROVING EDUCATIONAL PROGRAMS AND TECHNIQUES UNDER ITS THIRD 5-YEAR PLAN.

8. TO THE EXTENT POSSIBLE, EMBASSY WOULD PREFER TO HOLD THESE EVENTS IN OUR OWN COMMERCIAL OFFICES, WITH ATTENTION DIRECTED TO KEY POTENTIAL BUYERS, RATHER THAN TO THE PUBLIC AT LARGE. WE ARE ALSO IN PROCESS OF SCHEDULING A SERIES OF SINGLE-SPONSOR EXHIBITS IN THESE FACILITIES, WITH FIRST ONE SCHEDULED FOR WEEK OF FEBRUARY 11-15, 1974, FEATURING APECO COPYING MACHINES AND I.D. CARD SYSTEMS. TWO OTHER SUCH EVENTS HAVE ALREADY BEEN SCHEDULED FOR MARCH AND APRIL. OTHERS ARE IN THE PLANNING PROCESS.

9. CONSIDERABLE EMPHASIS SHOULD ALSO BE GIVEN DURING FY 1975 TO MARKET RESEARCH TO HELP IDENTIFY SECTIONS WITH MOST PROMISING MARKET

POTENTIAL IN THE FUTURE. THIS WOULD INVOLVE MUCH MORE OUT-OF-OFFICE ACTIVITY THAN HAS BEEN POSSIBLE IN THE PAST.

10. RAISING STATUS AND CAPABILITIES OF FSL EMPLOYEES SHOULD ALSO HAVE HIGH PRIORITY, AS SHOULD IMPROVEMENT OF FACILITIES AND SERVICES OF COMMERCIAL LIBRARY.

11. IN ADDITION TO CONTINUING ATTENTION TO U.S. EXPORT EXPANSION WORK, EMBASSY BELIEVES IT IMPORTANT IN U.S. LONG RANGE INTEREST TO GIVE DIRECT ASSISTANCE TO THAILAND IN ITS EFFORTS TO EXPAND ITS EXPORTS, AND TO CLEARLY DEMONSTRATE ITS INTEREST IN DOING SO. ESPECIALLY WITH INCREASED FOREIGN EXCHANGE COSTS OF PETROLEUM, AND WITH CURRENT ATTENTION BEING GIVEN TO U.S. OVER-ALL ACTIVITIES,

THAILAND'S IMBALANCE OF TRADE, AND SPECIFICALLY THAT WITH THE  
UNITED STATES IS LIKELY TO STAND OUT MORE AND MORE. AMERICAN  
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CHAMBER OF COMMERCE HAS ALREADY RECOGNIZED THIS, AND HAS  
INITIATED PROGRAM TO HELP FIND AMERICAN BUYERS FOR THAI  
PRODUCTS THROUGH FACILITIES OF THE U.S. CHAMBER OF COMMERCE.  
EMBASSY ALSO HAS TAKEN LIMITED STEPS TO HELP AND ADVISE  
RTG ON TRADE PROMOTION WORK, AND BELIEVES SUCH EFFORTS MUST BE  
EXPANDED. EMBASSY REGARDS SUCH ASSISTANCE AS NOT JUST PUBLIC  
RELATIONS, BUT RATHER, MORE A MEANS OF IMPROVING U.S.  
COMMERCIAL STANDING IN THAILAND TO THE ULTIMATE BENEFIT OF OUR  
OWN TRADE PROMOTION EFFORTS IN WHAT IS EXPECTED TO BECOME A  
VERY EXPANSIVE MARKET.  
KINTNER

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## Message Attributes

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